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GHANA ABANDONS ANTI-U.S. ATTACKS

Shortage of Foreign Capital
Seen as Main Reason for
Quiet in Official Press

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Special to The New York Times

ACCRA, Ghana, April 30 —

The Government of President Kwame Nkrumah has abandoned its barrage of anti-American propaganda, which led to a serious strain in relations with Washington.

For more than three weeks there has been a notable absence of the attacks in the Government-controlled radio and press.

Editorial assaults and Government-sponsored demonstrations reached a peak in January and early February with the expulsion on charges of subversion of four Americans, who were visiting professors at the University of Ghana.

The State Department strongly protested and recalled Ambassador William P. Mahoney Jr. to Washington for "urgent consultations."

The Ambassador's recall and frank talks between Under Secretary of State W. Averell Harriman and President Nkrumah here four weeks ago undoubtedly influenced the Government.

But the main factor, according to most American officials, was the Government's realization that it needs large amounts of foreign capital to restore the country's deteriorating economy.

Despite President Nkrumah's ideological war on capitalism, his new seven-year development plan calls for \$280 million in foreign investment.

Never was Ghana's need for hard foreign currency greater than today.

When the Gold Coast became independent as Ghana in 1957, its foreign currency reserves stood at more than \$560 million. They have dwindled to less than \$40 million.

This has resulted partly from a decline in the world price of cocoa, which is Ghana's biggest export.

But most foreign economists here blame the Government for pouring huge sums of money into costly, nonproductive projects. They point to Ghana Airways, which loses an average of \$5 million a year; and a new superhighway linking Accra and the port city of Tema, which cost more than \$14 million.

Finding itself with so little foreign cash, the Government revoked all import licenses in February.

Now the pinch is beginning to be felt. There is a crippling shortage of spare parts for cars, trucks and machinery. Tires are completely sold out. Hospitals have disclosed a dangerous shortage of antibiotics and newspapers report that seven Ghanaians are dying every week because the country has run out of imported snake-bite serum.

Industries Suffering

Many of Ghana's new industries are also beginning to suffer.

The new Unilever soap factory in Tema has begun laying off workers. A company spokesman said that "at the present rate," the plant would have to halt all production by July. In Accra a company manufac-

turing kitchen utensils has closed for lack of aluminum.

Importers applying for new licenses are told they must buy from Communist-bloc countries. In the last several years, the East has extended more than \$100 million in credits to Ghana. Little of this has been drawn on.

Many Ghanaian businessmen are skeptical of this plan. The comment of a trucking company manager was typical: "I don't care where I get spare parts as long as they work. But how are Russian carburetors going to fit in my fleet of Ford pickups?"

Envoy Denounced Again

WASHINGTON, April 30 (AP)—An editor from Ghana, whose newspaper denounced American Negro diplomats as "skunks and Judases" after anti-American demonstrations in Accra in February, insisted today the label was valid.

The label is "more than legitimate," said T. D. Baffoe, editor of The Ghanaian Times.

He spoke at a news conference marking the end of a United States tour by a Ghanaian delegation. The delegation visited Kaiser Aluminum plants in the United States and in Jamaica. Kaiser is participating in the building of an aluminum plant in Ghana.

Mr. Baffoe answered most of the questions about demonstrations outside the Embassy in Accra during which A. Emerson Player, a Negro foreign service officer, protected the American flag. Mr. Player was praised by President Johnson and denounced by Mr. Baffoe's paper as one who had engaged in "all sorts of nefarious activities."

"This chap Player," Mr. Baffoe said today, "came out from the Embassy to provoke peaceful demonstrators."

Asked whether running the flag back up was a provocation, Mr. Baffoe said, "There were several incidents before this flag business."

Ambassador Miguel A. Ribiero, Ghana's envoy to Washington, said there was in Accra a "very strong suspicion that some Americans were indulging in subversive activities and it was this suspicion that led to the demonstrations."

United Press International
HALTS PROPAGANDA
ATTACK: President Kwame Nkrumah of Ghana, who has stopped his anti-United States drive.

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